



The City of Boulder's Climate Action Plan Tax



Climate Action Plan Tax: Frequently Asked Questions

What is the Climate Action Plan tax?

City of Boulder voters approved Initiative 202, the Climate Action Plan tax, in November 2006. The tax will take effect on April 1, 2007 and expire on March 31, 2013. The tax will fund the city of Boulder's Climate Action Plan to reduce greenhouse gas emissions in alignment with the Kyoto Protocol. The tax will be levied on electricity usage (per kilowatt hour) for city of Boulder residents and businesses.

What is the Climate Action Plan and why was it developed?

In 2002 City Council adopted a policy to take cost-effective actions that benefit the community by reducing greenhouse gas emissions. The initial goal is to achieve the Kyoto Protocol target of reducing local emissions to a level 7% below 1990 levels by 2012. To achieve the goal emissions must be reduced about 19% from 2005 levels. The Climate Action Plan serves as a roadmap to meet the greenhouse gas emissions reduction goal. The Plan provides a framework to compare and analyze alternative strategies and policies, in order to facilitate City Council's review and the decision-making process. The Plan includes baseline data and emissions reduction strategies for all sectors.

How does the city calculate greenhouse gas emissions?

Emissions are generated by energy use in buildings, vehicle use, and solid waste. The City of Boulder's greenhouse gas emissions inventory is based on electricity and natural gas data from Xcel Energy, city transportation data, and solid waste data. The Office of Environmental Affairs updates the inventory annually.

What are the primary sources of Boulder's greenhouse gas emissions?

Energy sources	Percent (%)
Electricity	51
Transportation	28
Natural gas	17
Solid waste	4

What are the primary strategies of the Climate Action Plan?

Increase energy efficiency in homes and buildings, switch to renewable energy and vehicle fuels and reduce vehicle miles traveled (VMT).

What will the Climate Action Plan tax pay for?

Tax revenues generated will be used to implement programs in line with the Climate Action Plan's primary strategies. The Plan's focus includes education, outreach and marketing; connecting residents and businesses with available rebates from Xcel Energy and

other sources as well as available tax credits, and providing services not offered in the Boulder market. Specific programs include, but are not limited to, weatherization services, energy audits, contractor training, public workshops, promoting renewable energy, recognition programs for achievers, light bulb incentive programs and neighborhood sweeps where energy conservation kits and information will be distributed to residences.

What are the tax rates and how much will the tax cost the average resident, business, and industrial user?

The tax is assessed based on electricity usage. There will be a per kilowatt-hour (kWh) charge on customers' Xcel Energy bills. Below is a summary of rates and average annual charges for the first year (2007) and the maximum possible rates:

Sector	2007 Rate (\$/kWh)	2007 Average Cost (Annual)	Maximum Rate (\$/kWh)	Average Maximum Cost (Annual)
Residential	0.0022	\$16	0.0049	\$37
Commercial	0.0004	\$46	0.0009	\$93
Industrial	0.0002	\$3,226	0.0003	\$6,428

How much revenue will the Climate Action Plan tax generate?

In 2007, the tax is expected to generate \$860,265. If the tax is raised to the maximum rate, the tax will generate \$1,341,789.

How will the tax be collected?

Xcel Energy will collect the tax as part of its normal billing process. According to the city's original agreement with Xcel Energy through the Climate Action Plan implementation, the city will pay Xcel a one-time fee of \$40,000 to cover the cost of updating billing systems to charge, collect and remit the tax.

Is anyone exempt from the tax?

Xcel customers who subscribe to Windsource will be exempt from the tax for the portion of their electricity that is supplied through wind power. To sign up for Windsource call Xcel at 1-800-895-4999 or visit www.xcelenergy.com/windsorce-co

Who should I contact if I have questions about the tax?

- Billing questions should be addressed directly to Xcel Energy at **800-895-4999**.
- Questions about the tax and the Climate Action Plan programs funded through the tax should be addressed to the city of Boulder at 303-441-4004.